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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

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3 UNITED STATES OF AMERICA,

4 v.

11 CR 1056 (DLC)

5 ANDRES TRUPPEL,

6 Defendant.

PLEA

7 -----x

8 New York, N.Y.
9 September 30, 2015
11:30 a.m.

10 Before:

11 HON. DENISE COTE,

12 District Judge

13
14 APPEARANCES

15 PREET BHARARA,

16 United States Attorney for the
Southern District of New York

17 NIKETH VELAMOR

Assistant United States Attorney

18 TAREK HELOU

U.S. Department of Justice

19 ANTHONY M. CAPOZZOLO

20 ARTHUR D. MIDDLEMISS

CRISTIAN FRANCOS

21 Attorneys for Defendant

22
23 ALSO PRESENT: HUMBERTO GARCIA, Spanish Interpreter
24 ERICA CUDINA, Pretrial Services
25

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(Case called)

THE COURT: Let me ask you, Mr. Capozzolo, does your client require the services of an interpreter?

MR. CAPOZZOLO: Mr. Truppel is fluent in English. We have an interpreter on standby in case there is an occasional word or term; our concern was maybe a particular legal term. If he has a question, he'll advise us and we'll ask for an interpretation at this point. But I think you'll find Mr. Truppel is very fluent.

THE COURT: Okay. So we have an interpreter.

I understand the interpreter is certified to interpret between Spanish and English, and has been placed under oath.

Is that correct, Mr. Garcia?

THE INTERPRETER: Yes, your Honor.

Humberto Garcia. I am a staff Spanish interpreter here on standby.

THE COURT: Thank you.

I understand this is the defendant's initial appearance in federal court.

Mr. Truppel, I'm going to ask you please to stand. I want to make sure you understand your rights here.

You have the right to remain silent. You are not required to make any statements. Anything that you do say can be used against you. Even if you have already made statements to the authorities, you do not need to make any further

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1 statements.

2 Do you understand that?

3 THE DEFENDANT: Yes, your Honor.

4 THE COURT: You have the right to be represented by
5 counsel during this court proceeding, any future court
6 proceedings, and anytime you are questioned by the authorities.
7 If you cannot afford an attorney, I will appoint an attorney to
8 represent you.

9 Do you understand that?

10 THE DEFENDANT: Yes, your Honor.

11 THE COURT: You may be seated.

12 I have received a copy of the indictment 11 CR 1056,
13 and an agreement between the government and defense counsel and
14 the defendant. It is dated September 25.

15 I understand that the defendant will be entering a
16 plea of guilty to Count One of the indictment.

17 Is that correct, Mr. Capozzolo?

18 MR. CAPOZZOLO: That's correct, your Honor.

19 THE COURT: Mr. Truppel, please stand again.

20 I'm going to ask you certain questions to establish to
21 my satisfaction that you are pleading guilty because you are
22 guilty, and not for any other reason. If at any time you do
23 not understand my questions or if you wish for a further
24 opportunity to consult with your lawyer, will you let me know?

25 THE DEFENDANT: Yes.

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1 THE COURT: Please place the defendant under oath.

2 (Defendant sworn)

3 THE COURT: You are now under oath. If you answer any
4 of my questions falsely, you can be prosecuted for perjury.

5 Do you understand that?

6 THE DEFENDANT: Yes, your Honor.

7 THE COURT: What is your full name?

8 THE DEFENDANT: Andres Ricardo Truppel.

9 THE COURT: Mr. Truppel, how old are you?

10 THE DEFENDANT: 60 years old.

11 THE COURT: How far did you go in school?

12 THE DEFENDANT: I completed four year of university,
13 but without closure; I didn't get a degree.

14 THE COURT: Have you ever been treated or hospitalized
15 for any mental illness?

16 THE DEFENDANT: No, your Honor.

17 THE COURT: Are you now or have you recently been
18 under the care of a doctor or psychiatrist?

19 THE DEFENDANT: No.

20 THE COURT: In the last 24 hours, have you taken any
21 drugs or medicine or pills or drunk any alcoholic beverages?

22 THE DEFENDANT: No.

23 THE COURT: Is your mind clear today?

24 THE DEFENDANT: Yes.

25 THE COURT: Do you understand what's happening here?

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1 THE DEFENDANT: I understand.

2 THE COURT: Do any counsel have doubt as to the
3 defendant's competence to enter a plea of guilty?

4 MR. VELAMMOOR: No, your Honor.

5 MR. CAPOZZOLO: No, your Honor.

6 THE COURT: Based on my observations of the defendant,
7 his demeanor, and his responses to my questions, I find he is
8 competent to enter a plea of guilty.

9 Now, Mr. Truppel, do you have or have you had a
10 sufficient opportunity to discuss with your attorneys your
11 decision to enter a plea of guilty?

12 THE DEFENDANT: Yes, I do.

13 THE COURT: Have you had a sufficient opportunity to
14 discuss with them the charge to which you'll be pleading
15 guilty, any defenses that you have to that charge, and the
16 consequences to you of entering a plea of guilty?

17 THE DEFENDANT: Yes, I do.

18 THE COURT: Are you satisfied with the representation
19 you've received from your attorneys?

20 THE DEFENDANT: Yes, your Honor.

21 THE COURT: I'm now going to explain certain
22 constitutional rights that you have. You'll be giving up these
23 rights if you enter a plea of guilty.

24 Under the Constitution and laws of the United States,
25 you are entitled to a speedy and public trial by a jury on the

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1 charges contained in the indictment that's been filed against
2 you.

3 Do you understand that?

4 THE DEFENDANT: Yes.

5 THE COURT: At that trial, you'd be presumed to be
6 innocent, and the government would be required to prove you
7 guilty by competent evidence and beyond a reasonable doubt
8 before you could be found guilty. You would not have to prove
9 that you were innocent, and a jury of 12 people would have to
10 agree unanimously that you were guilty.

11 Do you understand that?

12 THE DEFENDANT: Yes, your Honor.

13 THE COURT: At that trial and at every stage of your
14 case, you would be entitled to be represented by a lawyer. If
15 you could not afford one, one would be appointed to represent
16 you.

17 Do you understand that?

18 THE DEFENDANT: Yes.

19 THE COURT: During a trial, the witnesses for the
20 government would have to come to court and testify in your
21 presence. Your lawyer could cross-examine the witnesses for
22 the government, object to evidence offered by the government,
23 and, if you desired, issue subpoenas, offer evidence, and
24 compel witnesses to come to court and testify on your behalf.

25 Do you understand that?

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1 THE DEFENDANT: Yes, I understand.

2 THE COURT: At a trial, although you'd have the right
3 to testify if you chose to do so, you'd also have the right not
4 to testify. No inference or suggestion of guilt could be drawn
5 from the fact that you did not testify, if that is what you
6 chose to do.

7 Do you understand that?

8 THE DEFENDANT: Yes, I understand.

9 THE COURT: Do you understand that if you were
10 convicted at a trial, you'd have a right to appeal from that
11 verdict?

12 Do you understand that?

13 THE DEFENDANT: Yes.

14 THE COURT: Even at this time, right now, even as
15 you're entering this plea, you have the right to change your
16 mind and plead not guilty and go to trial.

17 Do you understand that?

18 THE DEFENDANT: I understand that.

19 THE COURT: If you plead guilty and I accept your
20 plea, you're going to give up your right to a trial and all of
21 the other rights I've just described. There will be no trial.
22 I'll enter a judgment of guilty and sentence you based on this
23 plea after I read whatever submissions I get from you and your
24 lawyer and the government's lawyer, and after I read a
25 presentence report prepared by the probation department.

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1 Do you understand that?

2 THE DEFENDANT: I understand.

3 THE COURT: If you plead guilty, you're also going to
4 give up your right not to incriminate yourself because I'm
5 going to ask you today what you did, and you're going to have
6 to describe your conduct to me.

7 Do you understand that?

8 THE DEFENDANT: Yes, I understand.

9 THE COURT: Let me make sure you understand what
10 you're charged with in Count One.

11 Should I be looking at paragraph 53 and thereafter,
12 Mr. Velamoor?

13 MR. VELAMOOR: Of the indictment, your Honor, I
14 assume? Yes. That's correct. 53 through 58 are the
15 paragraphs containing the charges, and the overt acts begin at
16 59, are at 59.

17 THE COURT: In terms of the objects of the conspiracy
18 count, is it the government's intention that the defendant
19 allocute to each of the objects?

20 MR. VELAMOOR: Yes, your Honor.

21 THE COURT: Okay.

22 Mr. Truppel, you are charged here in Count One with
23 willingly and knowingly participating in a conspiracy. A
24 "conspiracy" is an agreement by two or more people to violate
25 the law. It is charged that this conspiracy was in existence

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1 between 1996 and August of 2009; and that at least some of the
2 acts in furtherance of the conspiracy existed here in the
3 Southern District of New York, which includes Manhattan and the
4 Bronx, among other locations.

5 Do you understand that?

6 THE DEFENDANT: I understand.

7 THE COURT: There are several objects of the
8 conspiracy that are charged in Count One, and I'm going to
9 describe those to you separately.

10 One object is that the conspirators, being officers,
11 directors, employees, or agents of an issuer of securities
12 registered under American law, specifically, the Securities and
13 Exchange Act of 1934, willfully and with intent to further the
14 objects of the conspiracy, used mails and other
15 instrumentalities of interstate commerce corruptly in
16 furtherance of an offer or payment or authorization of a
17 payment to a foreign official, knowing that all or a portion of
18 this thing of value being offered or given directly or
19 indirectly to the foreign official or a candidate for foreign
20 political office was for the purpose of -- and there are
21 several alternative purposes; that this was for the purpose of
22 influencing the acts or decisions of the foreign official in
23 that person's official capacity or inducing the foreign
24 official to do, or omit to do acts in violation of that
25 official's lawful duty, or for the purpose of securing an

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1 improper advantage, or for inducing the foreign official to use
2 that official's influence with a foreign government or agencies
3 to affect or influence the decisions of that government or
4 agency in order to assist you and your co-conspirators in
5 obtaining or retaining business for or with or directing
6 business to a company known as Siemens, all in violation of the
7 law.

8 Do you understand that as one of the objects of this
9 conspiracy?

10 THE DEFENDANT: Yes, your Honor.

11 THE COURT: Let me describe another object of this
12 conspiracy.

13 It was an object of the conspiracy that the
14 conspirators, including you, while in the territory of the
15 United States, willfully and with intent to further the objects
16 of the conspiracy, corruptly did use the mails or, again,
17 instrumentalities of interstate commerce --

18 MR. VELAMOOR: Your Honor, just so our indictment is
19 clear, the only difference between the first and second objects
20 is the jurisdictional basis, the first one being the fact of an
21 issuer that issues stock in the U.S. under the SEC law, as the
22 Court pointed out; the second one being that someone, any
23 individual, while in the United States committing such an act
24 in furtherance.

25 THE COURT: Thank you, Mr. Velamoor.

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1 So the second object of the conspiracy involves the
2 same improper conduct; but, as Mr. Velamoor just indicated,
3 instead of it being in connection with an issuer registered
4 pursuant to the Securities and Exchange Act, the link to the
5 United States is that the conspirators, while in a territory of
6 the United States, did the acts with the intention of
7 furthering the conspiracy.

8 Do you understand that as a second object of the
9 conspiracy?

10 THE DEFENDANT: Yes, your Honor.

11 THE COURT: Let's go to the third object of the
12 conspiracy.

13 It is that the conspirators would and did knowingly
14 and willfully, directly or indirectly, falsify or cause to be
15 falsified books and records that were required to accurately
16 and fairly reflect the assets of Siemens and the transactions
17 and dispositions of those assets; Siemens, again, being an
18 issuer of securities under American law.

19 Do you understand that is another object of this
20 conspiracy?

21 THE DEFENDANT: Yes, your Honor.

22 THE COURT: Another object of the conspiracy is that
23 the conspirators knowingly and willfully circumvented the
24 system of internal accounting controls in connection with
25 Siemens again; that those controls were intended to be

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1 sufficient to provide reasonable assurance that the
2 transactions regarding Siemens were reported as necessary to
3 permit preparation of financial statements that would be in
4 conformity with generally-accepted accounting principles; and,
5 again, Siemens being an issuer under American securities law.

6 Do you understand that is another object of the
7 conspiracy?

8 THE DEFENDANT: Yes, I understand.

9 THE COURT: The final object of the conspiracy is
10 known as wire fraud; and that it is an object that the
11 conspirators would devise a scheme or artifice to defraud or to
12 obtain money by false or fraudulent representations; and, in
13 the course of doing so, would willfully and knowingly transmit
14 or cause to be transmitted by wire communication and interstate
15 or foreign commerce writings or signals for the purpose of
16 executing the scheme to defraud.

17 Do you understand that is a final object of the
18 conspiracy?

19 THE DEFENDANT: Yes, I do.

20 THE COURT: Let me give you an example of something
21 you are charged with having done to help make this conspiracy
22 succeed. I'm just going to look at one overt act.

23 I'll choose overt act F on page 38, counsel.

24 It is charged that on October 15th, 1999, in Argentina
25 and Germany, you and others caused SBS to wire transfer

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1 approximately \$3.9 million to a bank account held in Manhattan.

2 Do you understand that's charged as something you did
3 to help make the conspiracy succeed?

4 THE DEFENDANT: Yes, your Honor.

5 THE COURT: Let me make sure you understand the
6 penalties that apply to the crime charged in Count One.

7 This crime carries a maximum term of imprisonment of
8 five years, a maximum term of supervised release of three
9 years, a maximum fine of \$250,000 or twice the gross gain or
10 loss, a requirement to pay a special assessment of \$100, and
11 potentially an obligation to make restitution. I won't decide
12 ultimately whether restitution is required until the sentencing
13 proceeding here.

14 Do you understand what I've just described?

15 THE DEFENDANT: Yes, I understand, your Honor.

16 THE COURT: There may also be a duty to make
17 forfeiture.

18 Do you understand that?

19 MR. CAPOZZOLO: Excuse me.

20 (Pause)

21 THE DEFENDANT: Yes, I understand.

22 THE COURT: Now, "supervised release" means that you
23 will be subject to monitoring following release from prison.
24 There are terms of supervised release with which you must
25 comply. If you do not comply with them, you can be returned to

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1 prison without a jury trial. You'd be given no credit for any
2 time you already spent in prison, and no credit for any time
3 you spent on post-release supervision.

4 Do you understand that?

5 THE DEFENDANT: I understand.

6 THE COURT: Are you a citizen of this country?

7 THE DEFENDANT: No, your Honor.

8 THE COURT: You understand that a conviction for this
9 crime as charged in Count One could have a very negative impact
10 on your immigration status and might require your removal from
11 this country?

12 Do you understand that?

13 THE DEFENDANT: Yes, I understand.

14 THE COURT: Have you discussed the immigration
15 consequences with your lawyers?

16 THE DEFENDANT: Yes, I did.

17 THE COURT: Do you understand that if your attorney or
18 anyone else has attempted to predict to you what your sentence
19 will be, that their prediction could be wrong?

20 Do you understand that?

21 THE DEFENDANT: Yes, I understand.

22 THE COURT: No one, not your lawyers, not the
23 government's lawyer, no one can give you any assurance of what
24 your sentence will be, because I'm going to decide your
25 sentence, but I'm not going to do it now. I'm going to wait.

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1 I'm going to wait till I get a presentence report prepared by
2 the probation department, do my independent analysis of your
3 sentencing guideline range, decide whether I should depart up
4 or down from that range, look at all the other information
5 presented to me in connection with the sentence, consider the
6 factors set forth in a section of the law we call Section
7 3553(a), and only then, after that whole process, will I decide
8 what a reasonable sentence is for you.

9 Do you understand that?

10 THE DEFENDANT: I understand.

11 THE COURT: Even if your sentence is different from
12 what your attorney or anyone else has told you it might be,
13 you're still going to be bound by your plea of guilty and
14 cannot withdraw your plea of guilty.

15 Do you understand that?

16 THE DEFENDANT: Yes, I do.

17 THE COURT: Has anyone threatened you or anyone else
18 or forced you in any way to plead guilty?

19 THE DEFENDANT: No, your Honor.

20 THE COURT: Now, I understand there is a plea
21 agreement between you and the government; is that right?

22 THE DEFENDANT: That's correct.

23 THE COURT: Excuse me one second.

24 (Pause)

25 THE COURT: Mr. Truppel, why don't you be seated for a

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1 minute.

2 THE DEFENDANT: Thank you.

3 (Pause)

4 THE COURT: Counsel, do you want to proceed with the
5 plea?

6 (Pause)

7 THE COURT: Mr. Truppel, please stand again.

8 I want to make sure we are looking at the same
9 document.

10 Do you have a document before you that bears the date
11 September 25 on the first page?

12 THE DEFENDANT: Yes.

13 THE COURT: Does that document have five pages in all?

14 THE DEFENDANT: Yes.

15 THE COURT: Is your signature on the last page?

16 THE DEFENDANT: Yes.

17 THE COURT: What's the date next to your signature?

18 THE DEFENDANT: 9/30/15.

19 THE COURT: That's today.

20 Did you sign this today?

21 THE DEFENDANT: Yes.

22 THE COURT: Before you signed this document, did you
23 read it?

24 THE DEFENDANT: Yes.

25 THE COURT: Before you signed this document, did you

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1 discuss it with your lawyer?

2 THE DEFENDANT: Yes.

3 THE COURT: When you signed this document, did you
4 believe you had a good understanding of its terms?

5 THE DEFENDANT: I did, yes.

6 THE COURT: Now, did anyone force you to sign this
7 document?

8 THE DEFENDANT: No, your Honor.

9 THE COURT: In this document, you're offering certain
10 cooperation to the government; is that correct?

11 THE DEFENDANT: That's correct.

12 THE COURT: Do you understand that it is up to the
13 government -- and the government alone -- to decide at the time
14 of sentence whether or not to write a letter to me that will
15 describe any assistance you've given to the government?

16 THE DEFENDANT: Yes, I understand.

17 THE COURT: Do you understand that if the government
18 writes that letter, it is still up to me -- and me alone -- to
19 decide whether or not to give you any credit at the time of
20 sentence for any information that you have provided to the
21 government?

22 Do you understand that?

23 THE DEFENDANT: Yes, I do.

24 THE COURT: Do you have any other agreement with the
25 government about your plea or about your sentence that has been

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1 left out of this September 25th document?

2 THE DEFENDANT: No, your Honor.

3 THE COURT: Please tell me in your own words what you
4 did that makes you believe you're guilty of the crime with
5 which you are charged.

6 MR. CAPOZZOLO: Judge, just for the record,
7 Mr. Truppel and I have worked extensively to develop an
8 allocution for you. Mr. Truppel's English is a second
9 language. He is fluent. But to assist, and because this is a
10 somewhat complicated white-collar matter, we prepared a written
11 allocution that he is going to read, but he's also willing to
12 answer any questions the Court might have.

13 THE COURT: Okay.

14 Mr. Truppel, feel free to read to me what has been
15 prepared, but I want to make sure that everything you read to
16 me is something that you believe is truthful and honest.

17 THE DEFENDANT: Yes. I understand.

18 THE COURT: Okay. Good.

19 Read slowly and keep your voice up.

20 THE DEFENDANT: Okay. So I work for Siemens from
21 about 1977 to about 2002. And from 2002 to 2004 I was an
22 unpaid consultant to Siemens AG. From 1996 to 2002, I was
23 chief financial officer of Siemens Argentina.

24 Siemens Argentina was a subsidiary of Siemens AG,
25 which was an issuer of stock on the New York Stock Exchange.

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1 From 1996 until 2006, I, along with other officers of
2 Siemens, including my codefendants, agree and conspire to
3 obtain for Siemens the proceed from a government contract for a
4 National Identity Card project in Argentina, which is referred
5 as to the DNI project in the indictment in this matter.

6 I understood and agreed that such conspiracy would
7 seek to obtain the proceeds of the DNI project by means of
8 bribery and fraud, including the bribery of Argentine
9 government officials. The project was worth more than one
10 billion to Siemens, and Siemens paid tens of millions in
11 bribes.

12 Even after the DNI project was terminated, I and other
13 members of the conspiracy continued to pursue the proceeds of
14 the DNI project through additional bribes and fraudulent
15 conduct. We took a variety of steps to conceal the bribe
16 payments we were making. For example, I and others used
17 entities referred to as the intermediary defendants in the
18 indictment to make bribe payments to officials that were
19 designed to appear falsely as payments to consultants, even
20 though no such consultant service were actually provided.

21 We also caused various international wire transfer to
22 be done to transmit bribe payments. The transfers include
23 approximately 7.4 million from Germany to the bank account in
24 Manhattan, New York. These payments were structured as
25 payments to settle a foreign exchange hedging contract with the

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1 foreign currency company organized under the laws of Bahamas,
2 but in reality, the hedging --

3 THE COURT: But in reality --

4 THE DEFENDANT: In reality, the hedging contract was
5 meant to conceal bribes to Argentine officials.

6 Also, during 1998 and '99, and as part of the
7 conspiracy, I and others caused Siemens to make millions of
8 dollars of payments through entities referred to as the conduit
9 entities, which were, in fact, intended to be bribe payments to
10 several Argentine officials and to otherwise facilitate the
11 conspiracy.

12 During and as part of the conspiracy, I and others use
13 the \$27 million contract between Siemens entity and the Mfast
14 Consulting AG for consulting services that was, in fact, a way
15 to conceal bribe payments to government officials. This
16 contract is referred to as "the White Contract" in the
17 indictment.

18 THE COURT: As the white?

19 THE DEFENDANT: White contract.

20 During and as part of the conspiracy, I and others
21 caused Siemens to pay nearly \$1 million in bribes to the
22 Argentine attorney and former Ministry of Justice official, who
23 was referred to as close friend of Argentine Official H in the
24 indictment.

25 This bribe payments were concealed through false

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1 records and the books and records of Siemens AG. I know that
2 such conduct circumvented the accounting controls using methods
3 that included false invoices and payments to consultants that
4 were false in that no consultant services were provided.

5 During the relevant time period of the conspiracy, I
6 prepared affidavit that I knew Siemens AG make use of legal
7 proceedings to seek to obtain the proceeds of the DNI project.
8 The affidavit was false in that I omitted the existence of the
9 bribe payments to Argentine officials related to the DNI
10 project. I later learned that Siemens AG submitted this
11 affidavit in an arbitration proceeding in Washington, D.C. to
12 recover lost profits from the DNI projects from the Argentinian
13 government.

14 I knew that this conduct was wrong and illegal, and I
15 regret this conduct.

16 THE COURT: Counsel, let's talk about the statute of
17 limitations issues here.

18 MR. CAPOZZOLO: Yes, Judge.

19 Our legal team has reviewed the statute of limitations
20 defense in this case. We do not believe that we have a statute
21 of limitations defense in this matter due to other acts of
22 members of the conspiracy that extended the conspiracy to, I
23 believe, as late as 2009. The indictment was brought in 2011.

24 THE COURT: Mr. Velamoor.

25 MR. VELAMOOR: Yes, your Honor.

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1 We also believe that there is no statute of
2 limitations defense here.

3 THE COURT: I note that the last overt act listed in
4 Count One, which is on page 47, is an act from November of
5 2007, which would bring it within the five-year statute of
6 limitations period.

7 Is that correct, Mr. Velamoor?

8 MR. VELAMOOD: I believe that's correct, your Honor,
9 yes.

10 THE COURT: Let me go through the individual goals of
11 the conspiracy as charged in Count One.

12 As I understand it, Mr. Truppel, you've indicated that
13 Siemens AG is an issuer of securities registered on the New
14 York Stock Exchange; is that right?

15 THE DEFENDANT: Yes, that's correct.

16 THE COURT: You were, at least during part of the
17 period of time that you've described here, CFO of a subsidiary
18 of Siemens AG?

19 THE DEFENDANT: That's correct.

20 THE COURT: And associated with an Argentinian
21 subsidiary; is that right?

22 THE DEFENDANT: Yes, that's correct.

23 THE COURT: You understood that bribes were paid to a
24 foreign official in Argentina in connection with Siemens'
25 desire to obtain the DNI project?

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1 THE DEFENDANT: Yes.

2 THE COURT: Give me an example of something you
3 personally did to help that succeed.

4 THE DEFENDANT: I helped to get invoices from
5 contractors that were services that was not really true.

6 THE COURT: So false invoices were prepared under your
7 supervision in connection with that scheme?

8 THE DEFENDANT: Yes.

9 THE COURT: I think the next series of objects has to
10 do with -- that wouldn't be covered by the statements you've
11 just made to me, would be those that have to do with the books
12 and records of Siemens.

13 Give me an example of the kind of line item in the
14 books and records of Siemens that was falsified based on the
15 schemes that you've just described to me this morning.

16 THE DEFENDANT: The book records that were falsified
17 were in Germany, Siemens AG. So I was not directly responsible
18 for the book records in Germany. But I knew that the invoices,
19 for example, that I was sending will be booked as -- through
20 invoice in the books from Siemens AG.

21 THE COURT: Okay. As a result, because they would be
22 relied upon for their face value, false information would be
23 placed on the books and records of the parent company?

24 THE DEFENDANT: That's correct.

25 THE COURT: In what way would that circumvent the

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1 internal accounting controls?

2 THE DEFENDANT: I mean --

3 MR. CAPOZZOLO: Can I speak to Mr. Truppel?

4 THE DEFENDANT: Can I ask a question?

5 THE COURT: Yes, you may consult with your attorney.

6 (Pause)

7 MR. CAPOZZOLO: Thank you, your Honor.

8 THE DEFENDANT: So I understood that after the Siemens
9 AG was -- was listed in New York, the expenses that until that
10 time were accepted in Germany were not longer accepted after --
11 after Siemens was listed in New York. So I knew that -- that
12 this invoices, before the listing, I just would write
13 consultant and make a note, a German note, stating that this
14 was payment for an official. After the company was listed in
15 New York, this was not longer allowed in Siemens, and so that's
16 the reason that I had to prepare an invoice or get an invoice
17 from a contractor. And I knew this was the only objective of
18 that invoice, was to -- to complain with the internal
19 accounting in Germany.

20 THE COURT: To comply?

21 THE DEFENDANT: To comply, sorry, to comply with
22 internal accounting in Germany, yes.

23 THE COURT: Turning to the last object of the
24 conspiracy, which has the wire fraud element to it, I believe
25 you indicated that you understood that there were wire

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1 transmissions that, in fact, went into New York; is that right?

2 THE DEFENDANT: That's correct.

3 THE COURT: Including wire transfers of significant
4 sums of money; is that correct?

5 THE DEFENDANT: Yes, your Honor.

6 THE COURT: At the time that you were doing the acts
7 that you've described to me, you knew you were violating the
8 law?

9 THE DEFENDANT: Yes, I knew that.

10 THE COURT: You knew you were doing something wrong?

11 THE DEFENDANT: Yes.

12 THE COURT: Does the government agree there's a
13 sufficient factual predicate for a plea of guilty?

14 MR. VELAMMOOR: Yes, your Honor.

15 THE COURT: Does defense counsel agree?

16 MR. CAPOZZOLO: Yes, Judge.

17 THE COURT: Mr. Capozzolo, do you know of any reason I
18 should not accept this plea?

19 MR. CAPOZZOLO: I do not.

20 THE COURT: Mr. Truppel, since you acknowledge that
21 you are, in fact, guilty as charged in Count One, since I am
22 satisfied that you know of your rights, including your right to
23 go to trial and that you're aware of the consequences of your
24 plea, including the sentence that may be imposed, and since I
25 find that you're voluntarily pleading guilty, I accept your

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1 plea and enter a judgment of guilty on Count One.

2 Now, at some point here the probation department is
3 going to want to interview you. If you speak with them, make
4 sure anything you say is truthful and accurate. They prepare a
5 report, and that report is important to me in deciding what
6 sentence to impose. You read it, too, carefully, before
7 sentence. If you see any errors in it, point them out to your
8 attorney.

9 Will you do that?

10 THE DEFENDANT: Yes, yes, your Honor.

11 THE COURT: You may be seated.

12 THE DEFENDANT: Thank you.

13 THE COURT: Counsel, should I be scheduling sentence
14 at this point?

15 MR. VELAMOOR: Your Honor, perhaps we can set a date
16 to come back to the Court with an update perhaps in four
17 months.

18 THE COURT: I'll take a status letter with respect to
19 whether or not the case is ready for the scheduling of sentence
20 on January 29th.

21 Let's talk about terms of bail.

22 As I understand it, the parties have agreed to a
23 300,000 personal recognizance bond secured by the defendant's
24 retirement account in the possession of Citigroup, regular
25 pretrial services supervision, and no travel restrictions.

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1 Is that correct?

2 MR. VELAMOOR: Yes, your Honor, that's correct.

3 I'm sorry. I believe the reporting would not be
4 regular; it would be Internet reporting. I just spoke to the
5 pretrial services officer. It is termed as Internet reporting
6 in their logs.

7 MR. CAPOZZOLO: We concur, Judge.

8 THE COURT: Thank you.

9 Mr. Velamoor, is there anything else we need to do?

10 MR. VELAMOOR: May I have one moment, your Honor.

11 (Pause)

12 MR. CAPOZZOLO: Without objection from the government,
13 we would request that the transcript of the defendant's plea
14 today be sealed.

15 MR. VELAMOOR: Your Honor, we wouldn't object to the
16 sealing of the transcript. Obviously we understand that the
17 fact of the plea is likely to be publicly docketed by your
18 Honor's deputy, but we wouldn't object to the sealing of the
19 transcript.

20 THE COURT: Okay. Well, we have a number of visitors
21 in the courtroom, including members of the press. I'm not
22 quite sure what the purpose of a sealed transcript is or the
23 justification for it.

24 MR. VELAMOOR: Your Honor, we do understand that the
25 members of the press are here. I understand it would not be as

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1 effective as it might be in a case where there weren't these
2 people in the courtroom.

3 On the other hand, there is additional detail in the
4 transcript that would become available to people who are not
5 necessarily here if the transcript were to be sealed.

6 THE COURT: Okay. I'm going to deny the application.
7 Anything else, counsel?

8 MR. CAPOZZOLO: No, your Honor.

9 THE COURT: Thank you so much.

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